
FLORIDA T.L.C. CHILD CARE, INC.

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

SEPTEMBER 30, 2013

FLORIDA T.L.C. CHILD CARE, INC.
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2013

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**FLORIDA T.L.C. CHILD CARE, INC.
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2013**

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Florida T.L.C. Child Care, Inc.
P. O. Box 477
Franklinton, Louisiana 70438

Report on the Financial Statements

We have audited the accompanying financial statements of the Family Day Care Home Program of Florida T.L.C. Child Care, Inc. (a non-profit organization) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Family Day Care Home Program of Florida T.L.C. Child Care, Inc.'s basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the component unit financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control

relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Family Day Care Home Program of Florida T.L.C. Child Care, Inc. as of September 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of expenditures of federal awards be presented to supplement the basic financial statements. Such information, although not a part of the basic unit financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2014, on our consideration of the Family Day Care Home Program of Florida T.L.C. Child Care, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Family Day Care Home Program of Florida T.L.C. Child Care, Inc.'s internal control over financial reporting and compliance.



Mary Sue Stages, CPA
A Professional Accounting Corporation
Baker, LA
March 28, 2014

FINANCIAL STATEMENTS

FLORIDA T.L.C. CHILD CARE, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2013

	<u>Administrative</u>	<u>General</u>	<u>Eliminations</u>	<u>Total</u>
<u>ASSETS</u>				
Current Assets				
Cash and cash equivalents	\$ 13,473.28	\$ 1,043.68	\$ -	\$ 14,516.96
Due from Department of Education	56,663.54	-	-	56,663.54
Due from Director	-	300.00	-	300.00
Due from Administrative Fund	-	9,300.00	(9,300.00)	-
				-
Total Current Assets/Total Assets	70,136.82	10,643.68	(9,300.00)	71,480.50
<u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities				
Accounts payable - trade	7,164.06	-	-	7,164.06
Payroll related payables	2,281.57	-	-	2,281.57
Accrued salaries payable	4,959.57	-	-	4,959.57
Due to Director	1,017.06	-	-	1,017.06
Due to providers	45,602.54	-	-	45,602.54
Due to General Fund	9,300.00	-	(9,300.00)	-
Total Current Liabilities/ Total Liabilities	70,324.80	-	(9,300.00)	61,024.80
Net Assets (Deficit)	(187.98)	10,643.68	-	10,455.70
Total Liabilities and Net Assets (Deficit)	70,136.82	10,643.68	(9,300.00)	71,480.50

See Accompanying Notes and Independent Auditors' Report

FLORIDA T.L.C. CHILD CARE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2013

	<u>Administrative</u>	<u>General</u>	<u>Total</u>
<u>UNRESTRICTED NET ASSETS</u>			
SUPPORT AND OTHER GAINS			
Administrative reimbursement	\$ 131,130.00	\$ -	\$ 131,130.00
Contributions	-	260.00	260.00
Fundraising	-	1,357.00	1,357.00
			<hr/>
Total Support and Other Gains	131,130.00	1,617.00	132,747.00
NET ASSETS RELEASED FROM RESTRICTIONS			
Restrictions satisfied by payments	599,491.61	-	599,491.61
			<hr/>
Total Support, Other Gains and Reclassifications	730,621.61	1,617.00	732,238.61
EXPENSES			
Program services	599,491.61	-	599,491.61
Supporting services	131,698.60	746.70	132,445.30
Fundraising expenses	-	100.00	100.00
			<hr/>
Total Expenses	731,190.21	846.70	732,036.91
			<hr/>
Increase (Decrease) In Unrestricted Net Assets	(568.60)	770.30	201.70
<u>TEMPORARILY RESTRICTED NET ASSETS</u>			
Support from meal reimbursements	599,491.61	-	599,491.61
Net assets released from restrictions:			
Restrictions satisfied by payments	(599,491.61)	-	(599,491.61)
			<hr/>
Increase In Temporarily Restricted Net Assets	-	-	-
			<hr/>
INCREASE (DECREASE) IN NET ASSETS	(568.60)	770.30	201.70
NET ASSETS, BEGINNING	380.62	9,873.38	10,254.00
			<hr/>
NET ASSETS (DEFICIT), ENDING	(187.98)	10,643.68	10,455.70
			<hr/> <hr/>

See Accompanying Notes and Independent Auditors' Report

FLORIDA T.L.C. CHILD CARE, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from administrative reimbursements	\$ 130,387.00
Cash received from program reimbursements - meals	593,007.61
Cash received from fundraising efforts	1,257.00
Cash received from donors	260.00
Cash paid for program expenses	(592,926.61)
Cash paid to or on behalf of employees for services	(94,225.99)
Cash paid to suppliers for goods and services	(37,628.74)
Net Cash Provided by Operating Activities	<u>130.27</u>

CASH FLOWS FROM INVESTING ACTIVITIES

-

CASH FLOWS FROM FINANCING ACTIVITIES

-

NET INCREASE IN CASH AND CASH EQUIVALENTS

130.27

CASH AND CASH EQUIVALENTS, BEGINNING

14,386.69

CASH AND CASH EQUIVALENTS, ENDING

14,516.96

**RECONCILIATION OF CHANGE IN NET ASSETS TO
NET CASH PROVIDED BY OPERATING ACTIVITIES**

Change in net assets	\$ 201.70
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
(Increase) decrease in assets:	
Due to/from Department of Education	(7,227.00)
Due from employees	(110.37)
Increase (decrease) in liabilities:	
Accounts payable - trade	529.72
Payroll related payables	91.22
Accrued salaries payable	80.00
Due to providers	<u>6,565.00</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>130.27</u></u>

See Accompanying Notes and Independent Auditors' Report

NOTES TO FINANCIAL STATEMENTS

FLORIDA T.L.C. CHILD CARE, INC.
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SEPTEMBER 30, 2013

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FLORIDA T.L.C. CHILD CARE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Family Day Care Home Program of Florida T.L.C. Child Care, Inc. (hereafter referred to as the Organization) was established to provide supervised provisions of meals. It serves an average of 118 homes per month to primarily low-income, disabled, elderly or other disadvantaged residents of Washington and nearby parishes. It engages in the U. S. Department of Agriculture Food and Nutrition Services under 7 CFR Part 226.

It operates on a fiscal year ending on September 30th, and its significant accounting policies are as follows:

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits. For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Receivables

Accounts receivable are stated at net realizable value. The Organization maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers/vendors to make required payments. Because collection is expected at 100%, an allowance for doubtful accounts has not been recorded.

Inventory

Inventory includes only office supplies and printed materials, the amount of which is considered immaterial. Therefore, the acquisition of these items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. They are depreciated using the straight-line method over the estimated useful lives of the assets. Equipment with an original cost of \$500 or greater is generally capitalized. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Support and Expenses

The Organization reports administrative and program reimbursements on the accrual basis of accounting. The amounts due to providers are also reported on the accrual basis of accounting. A donor restriction applies to the program reimbursement, and the amount is shown as temporarily restricted net assets. When the donor restriction expires, that is, when the stipulated restriction

FLORIDA T.L.C. CHILD CARE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

ends by payments to the providers, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted reimbursements whose restrictions are met in the same reporting period are reported as unrestricted support.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. Advertising costs are expensed as incurred. These totaled \$249.49 during the year paid through both the Administrative and General Funds.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117 *"Financial Statement of Not-For-Profit Organization."* Under SFAS No. 117, the Organization is required to report information regarding its net assets and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by this new statement, the Organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect in the year this standard was adopted (1998).

Income Taxes

The Organization is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The federal income tax returns of the company for fiscal years 2010, 2011, 2012 and 2013 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

Demand deposits	\$ <u>14,516.96</u>
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Of this amount, \$13,473.28 is maintained in the administrative and provider accounts to be utilized for the family day care home program. The remaining funds are held by the General Fund and can be utilized at the discretion of management.

FLORIDA T.L.C. CHILD CARE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 3 – RECEIVABLES

Receivables are stated at the amount the Organization expects to collect. Management considers all receivables to be collectible at year-end.

Receivables at year-end consist of the following:

Due from...	
Department of Education	\$ 56,663.54
Director	<u>300.00</u>
Total	<u>56,963.54</u>

NOTE 4 – ACCOUNTS AND OTHER PAYABLES

Payables at year-end include the following:

Trade	\$ 7,164.06
Payroll and related	7,241.14
Director	1,017.06
Providers	<u>45,602.54</u>
Total	<u>61,024.80</u>

Amounts due to and from the administrative and general funds were eliminated in the accompanying financial statements.

NOTE 5 – RESTRICTIONS ON NET ASSETS

Substantially all of the restrictions on net assets relate to amounts requested from the State of Louisiana, Department of Education for reimbursement to the providers of meals through the Family Day Care Home Program of the U. S. Department of Agriculture Food and Nutrition Services under 7 CFR Part 226. The amount due to providers requested but not yet received at year end has been accrued in the accompanying financial statements and is listed in the note above.

NOTE 6 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose during the year as follows:

Purpose restriction accomplished:

Meals provided	\$ <u>599,491.61</u>
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FLORIDA T.L.C. CHILD CARE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 7 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the program and supporting services have been summarized on a functional basis in the schedule of functional expenses. Accordingly, certain costs have been allocated between the program and supporting services.

NOTE 8– CONCENTRATIONS

Receivables and Revenues. All receivables recorded are due from the Louisiana Department of Education, Division of Nutrition Assistance. Approximately 99% of the Organization's support is paid by the Department of Education, State of Louisiana through the U.S. Department of Agriculture Food and Nutrition Services, Family Day Care Home Program, under 7 CFR Part 226.

Geographical Market. The Organization is approved to operate in the parishes of Livingston, St. Helena, St. Tammany, Tangipahoa and Washington. Volume is dependent on the willing and eligible providers in these areas.

NOTE 9 – LITIGATION

We are not aware of any pending or threatened litigation, claims or assessments that are required to be accrued or disclosed in this financial report.

NOTE 10 – SUBSEQUENT EVENTS

There were no subsequent events between the close of the fiscal year and the date of this report that would materially impact the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

FLORIDA T.L.C. CHILD CARE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2013

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
U. S. Department of Agriculture Food and Nutrition Services Child and Adult Care Food Program	10.558	
Family Day Care Home Program		
Pass-Through State of Louisiana, Department of Education Division of Nutrition		
	Program services:	
	Meals	\$ 592,926.61
	Supporting services	<u>131,008.03</u>
Total Federal Award Expenditures		<u><u>723,934.64</u></u>

Notes to Schedules of Expenditures of Federal Awards
Year Ended September 30, 2013

Basis of Presentation

This schedule of expenditures of federal awards includes the federal grant activity of the Family Day Care Home Program and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

See Independent Auditors' Report

SUPPLEMENTARY INFORMATION

FLORIDA T.L.C. CHILD CARE, INC.
SCHEDULES OF FUNCTIONAL EXPENSES
ADMINISTRATIVE FUND
YEARS ENDED SEPTEMBER 30, 2013 AND 2012

<u>Account Name</u>	<u>2013</u>		<u>2012</u>	
	<u>Program</u>	<u>Supporting</u>	<u>Program</u>	<u>Supporting</u>
Accounting fees	\$ -	\$ 5,079.36	\$ -	\$ 5,075.86
Advertising/promotion	-	100.49	-	149.00
Insurance	-	254.76	-	498.50
Janitorial services/supplies	-	1,200.00	-	1,200.00
Minute Menu	-	570.00	-	1,631.25
Office rent	-	6,000.00	-	6,000.00
Office supplies	-	4,246.94	-	1,809.69
Postage	-	789.17	-	582.38
Professional fees	-	2,810.00	-	2,810.00
Provider payments	599,491.61	-	573,332.40	-
Provider training/assistance	-	200.00	-	200.00
Repairs and maintenance	-	35.00	-	-
Salaries	-	87,438.80	-	87,564.04
Taxes - payroll	-	6,736.81	-	6,722.80
Telephone	-	6,865.28	-	7,647.33
Travel - use of auto	-	8,601.24	-	8,689.86
Utilities	-	770.75	-	802.63
Total Functional Expenses	599,491.61	131,698.60	573,332.40	131,383.34

See Independent Auditors' Report

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND OTHER MATTERS
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees of
Florida T.L.C. Child Care, Inc.
P. O. Box 477
Franklinton, Louisiana 70438

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Family Day Care Home Program of Florida T.L.C. Child Care, Inc., as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Family Day Care Home Program of Florida T.L.C. Child Care, Inc.'s basic financial statements, and have issued our report thereon dated March 28, 2014.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Family Day Care Home Program of Florida T.L.C. Child Care, Inc.'s, financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Family Day Care Home Program of Florida T.L.C. Child Care, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of

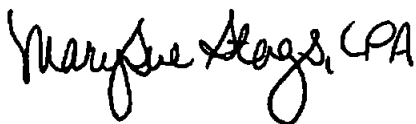
expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Family Day Care Home Program of Florida T.L.C. Child Care, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Family Day Care Home Program of Florida T.L.C. Child Care, Inc.'s internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Mary Sue Stages, CPA". The signature is written in a cursive, flowing style.

Mary Sue Stages, CPA
A Professional Accounting Corporation
Baker, LA
March 28, 2014

MARY SUE STAGES, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

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Association of Governmental Accountants
Governmental Audit Quality Control Center

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Trustees of
Florida T.L.C. Child Care, Inc.
P. O. Box 477
Franklinton, Louisiana 70438

Report on Compliance for Family Day Care Home Program

We have audited the compliance of the Family Day Care Home Program of Florida T.L.C. Child Care, Inc. (a nonprofit organization) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended September 30, 2013.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on the Family Day Care Home Program of Florida T.L.C. Child Care, Inc.'s compliance based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Family Day Care Home Program of Florida T.L.C. Child Care, Inc.'s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Family Day Care Home Program of Florida T.L.C. Child Care, Inc. However, our audit does not provide a legal determination of Florida T.L.C. Child Care, Inc.'s compliance.

Opinion

In our opinion, Florida T.L.C. Child Care, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Family Day Care Home Program for the year ended September 30, 2013.

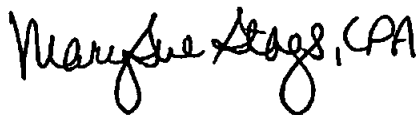
Report on Internal Control Over Compliance

Management of Florida T.L.C. Child Care, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Florida T.L.C. Child Care, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose expressing an opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Florida T.L.C. Child Care, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirement of *OMB Circular A-133*. Accordingly, this report is not suitable for any other purpose.



Mary Sue Stages, CPA
A Professional Accounting Corporation
Baker, LA
March 28, 2014

MARY SUE STAGES, CPA
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American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

INDEPENDENT AUDITORS' REPORT
ON CLAIMS FOR REIMBURSEMENT

To the Board of Trustees of
Florida T.L.C. Child Care, Inc.
P. O. Box 477
Franklinton, Louisiana 70438

We have examined the accompanying claims for reimbursements (Audited Statements of Claims attached) submitted by the Family Day Care Home Program of Florida T.L.C. Child Care, Inc. under the FDCH program. Our examination was made in accordance with auditing standards established by the American Institute of Certified Public Accountants and with generally accepted government auditing standards established by the Comptroller General of the United States and included tests of programs and accounting records prescribed by the USDA-OIG guide for audits of this program. In our opinion, the aforementioned claims present fairly the number of meals or supplements eligible for reimbursement for the period October 1, 2012 through September 30, 2013.



Mary Sue Stages, CPA
A Professional Accounting Corporation
Baker, LA
March 28, 2014

**FLORIDA T.L.C. CHILD CARE, INC.
AUDITED STATEMENT OF CLAIMS
YEAR ENDED SEPTEMBER 30, 2013**

REIMBURSEMENT PER AUDIT

Administrative	\$ 131,130.00
Program - meals	<u>599,491.61</u>
Total Reimbursement Per Audit	730,621.61

REIMBURSEMENTS CLAIMED AND RECEIVED

Administrative	131,130.00
Program - meals	<u>599,491.61</u>
Total Reimbursement Claimed and Received	<u>730,621.61</u>

(OVER) UNDER CLAIM

-

FLORIDA T.L.C. CHILD CARE, INC.
SCHEDULE OF MEALS SERVED AND PROGRAM REIMBURSEMENTS
YEAR ENDED SEPTEMBER 30, 2013

NUMBER SERVED BY MEAL TYPE									
MEALS SERVED	Breakfast		Lunch		Supplements		Supper		Total
FROM OCTOBER 1, 2012 TO JUNE 30, 2013									
Tier I	40,606		41,630		95,437		91,538		269,211
Reimbursement rate	\$	1.27	\$	2.38	\$	0.71	\$	2.38	
Total for period	\$	51,569.62	\$	99,079.40	\$	67,760.27	\$	217,860.44	\$ 436,269.73
FROM JULY 1, 2013 TO SEPTEMBER 30, 2013									
Tier I	11,579		19,137		33,876		32,675		97,267
Reimbursement rate	\$	1.28	\$	2.40	\$	0.71	\$	2.40	
Total for period	\$	14,821.12	\$	45,928.80	\$	24,051.96	\$	78,420.00	\$ 163,221.88
TOTAL MEALS SERVED	52,185		60,767		129,313		124,213		366,478
TOTAL REIMBURSEMENT	\$	66,390.74	\$	145,008.20	\$	91,812.23	\$	296,280.44	\$ 599,491.61

See Independent Auditors' Report

FLORIDA T.L.C. CHILD CARE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2013

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Family Day Care Home Program of Florida T.L.C. Child Care, Inc.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Family Day Care Home Program of Florida T.L.C. Child Care, Inc. were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for the Family Day Care Home Program of Florida T.L.C. Child Care, Inc. expresses an unqualified opinion.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
7. The programs tested as major programs included: U.S. Department of Agriculture Food and Nutrition Services, Child and Adult Care Food Program (10.558).
8. The threshold for distinguishing Types A and B programs was \$500,000.
9. The Family Day Care Home Program of Florida T.L.C. Child Care, Inc. qualified as a low-risk auditee.

FINANCIAL STATEMENTS AUDIT

None

MAJOR FEDERAL AWARDS PROGRAM AUDIT

None

FLORIDA T.L.C. CHILD CARE, INC.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED SEPTEMBER 30, 2013

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Financial Statement Findings

N/A

Section IV Management Letter

N/A